

public official authorized to attest or certify acknowledgements in the jurisdiction in which the report is executed.

(d) If the report indicates that there are 101 or more registered lots, parcels or units remaining for sale, the report shall be accompanied by an amendment fee in the amount and form prescribed in §1710.35.

(e) Failure to submit the report when due shall be grounds for an action to suspend the effective Statement of Record.

(Approved by the Office of Management and Budget under control number 2502-0243)

[49 FR 31373, Aug. 6, 1984]

### Subpart C—Certification of Substantially Equivalent State Law

**AUTHORITY:** Sec. 1419, Interstate Land Sales Full Disclosure Act, 82 Stat. 590, 598; 15 U.S.C. 1718; sec. 7(d), Dept. of Housing and Urban Development Act, 42 U.S.C. 3535(d).

**SOURCE:** 45 FR 40491, June 13, 1980, unless otherwise noted.

#### § 1710.500 General.

(a) This subpart establishes procedures and criteria for certifying State land sale or lease disclosure programs and State land development standards programs. The purpose of State Certification is to lessen the administrative burden on the individual developer, arising where there are duplicative state and federal registration and disclosure requirements, without affecting the level of protection given to the individual purchaser or lessee. If the Secretary determines that a state has adopted and is effectively administering a program that gives purchasers and lessees the same level of protection given to them by the Federal Interstate Land Sales Registration Program, then the Secretary shall certify that state. Developers who accomplish an effective registration with a state in which the land is located after the Secretary has certified the state may satisfy the registration requirements of the Secretary by filing with the Secretary materials designated by agreement with certified states in lieu of the federal Statement of Record and Property Report.

(b) A state that is certified by the Secretary shall be known as the situs certified state for all land located within its borders.

(c) After a developer is effectively registered with the Secretary through a certified state, the Secretary has the same authority over that developer as the Secretary has over developers who file directly with the Secretary. This includes the authority to subpoena information and to examine, evaluate and suspend a developer's registration under sections 1407(d) and (e) of the Act and § 1710.45(b)(1) and (b)(2) of these regulations.

(d) The prohibitions against the use of the Property Report contained in § 1710.29 apply to state disclosure materials and substantive development standards. In addition, for purposes of this paragraph, references made to the Secretary, OILSR and the Department of Housing and Urban Development in § 1710.29 will include a reference to the equivalent state officer or agency.

(e) The Purchaser's Revocation Rights, Sales Practices and Standards rules contained in part 1715 of these regulations apply to developers who register with the Secretary through certified States. All of the rules in part 1715 apply, excepting the disclaimer statement in § 1715.50(a) which is modified to read as follows:

Obtain the Property Report or its equivalent, required by Federal and State law and read it before signing anything. No Federal or State agency has judged the merits or value, if any, of this property.

(f) Developers are obliged to pay filing fees as set forth in § 1710.35 of these regulations.

#### § 1710.503 Notice of certification.

(a) If the Secretary determines that a state qualifies for certification under § 1710.501(a) or § 1710.501(b), the Secretary shall so notify the state in writing. The state will be effectively certified under the section and as of the date specified in the notice.

(b) If the Secretary determines that a state does not meet the standards for certification, the Secretary shall so notify the state in writing. The notice will specify particular changes in state law, regulations or administration that are needed to obtain certification. The

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Secretary shall not be bound in advance to certify a state that makes the suggested changes if other deficiencies become apparent at a later time.

(c) The Secretary's final determination to accept or reject a State's Application for Certification of Land Sales Program shall be published in the FEDERAL REGISTER.

(d) A state's certification will remain in effect until it is voluntarily suspended by the state or withdrawn by the Secretary. A state can voluntarily suspend its certification by notifying the Secretary in writing. The suspension will take effect as of the date and time specified in the notice to the Secretary, or upon receipt by the Secretary if no date is specified. The Secretary may withdraw certification as provided in § 1710.505.

### § 1710.504 Cooperation among certified states and between certified states and the Secretary.

(a) By filing an Application for Certification of State Land Sales Program pursuant to § 1710.502, a state agrees that, if it is certified by the Secretary, it will:

(1) Accept for filing and allow to be distributed as the sole disclosure document, a disclosure document currently in effect in the situs certified state. Only those documents filed with the situs state after certification by the Secretary must automatically be accepted by other certified states;

(2) Certify copies of all disclosure documents, amendments and consolidations filed with it by developers of land located within its borders for and as needed by developers required to submit certified copies to the Secretary and all other certified states. The certification shall indicate whether the documents are currently in effect. The certification should state as follows:

The (indicate the State Department of Real Estate or other appropriate entity) has reviewed the attached materials and finds they are true copies of (1) the (indicate Property Report or other similar state accepted document or amendment to such document) for (indicate the name of the subdivision), made effective by the State of \_\_\_\_\_ on \_\_\_\_\_ (give date) and still in effect; and (2) the supporting doc-

umentation upon which such (indicate the document or amendment) is based.

Signature \_\_\_\_\_

(3) Assist and cooperate with the Secretary and other certified states by requiring that developers of land within its borders amend disclosure documents if any change occurs in any representation of material fact required to be stated in the disclosure documents, including a change resulting from the developer's compliance with the requirements of the law in another certified state. The state shall require developers to send certified copies of the amended documents to the Secretary and requesting certified states. All amendments to such materials, which reflect changes in material facts regarding the subdivision, shall be submitted to the situs certified state authorities within 15 days of the date on which the developer knows, or should have known, of such change. Certified copies of the disclosure documents shall be submitted by the developer to the Secretary and the other certified states within 15 days after it becomes effective under the situs certified state laws.

(4) Continue to effectively operate its Land Sales Program as that Program is described in the Application for Certification and as it was certified by the Secretary.

(5) Assist and cooperate with the Secretary by monitoring the sales practices of developers registered with it directly or through another certified state, and by reporting to the Secretary any violations of the Act, including but not limited to the required contract provisions, revocation rights and anti-fraud provisions of 15 U.S.C. 1703, or the regulations.

(b) A state required to accept the disclosure documents of another situs certified state pursuant to paragraph (a)(1) of this section, may, in its discretion, require the developer to furnish it with copies certified pursuant to paragraph (a)(2) of this section.

(c) No state shall be prevented from establishing substantive or disclosure requirements which exceed the federal standard provided that such requirements are not in conflict with the Act or these regulations. For example, a